## COMMITTEE: ENERGY AND COMMERCE

SUBCOMMITTEES:

COMMERCE, TRADE AND
CONSUMER PROTECTION
ENERGY AND AIR QUALITY
TELECOMMUNICATIONS
AND THE INTERNET



## Mary Bono Mack Congress of the United States 45th District, California

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January 26, 2010

The Honorable Gary Locke Secretary The Department of Commerce 1401 Constitution Avenue, NW Washington, DC 20230

## Dear Secretary Locke:

As a Californian and Member of the United States House of Representatives Committee on Energy and Commerce, I have come to understand that Internet technologies and software applications which are developed in the United States have become a growing part of the lives of people beyond our borders. This indicates to me that it is time to give due consideration to the importance of U.S.-based online commercial interests to operate freely abroad. Specifically, U.S.-based firms should be able to operate where the rules are transparent and the playing field is level so that they can compete fairly with their foreign competitors. The negative economic impact that the "whims of discriminating governments" have on this segment of our economy is too great to fail to demand and expect consistency.

The emerging international online market, especially those markets with populous economies, are highly lucrative opportunities for online commercial enterprises. The reason is due to the direct relationship between the revenue of these firms and the number of users and their users' value as a target audience for marketers. This formula for conducting online business makes a country like the People's Republic of China ("China") very attractive for U.S.-based online businesses. It also makes the cyber attacks and censorship taking place in China that much more alarming. I hope you will agree that as a government, we must do all that we can to protect our online commercial interests operating in foreign countries like China. One example that comes to mind is the problems that Google, Inc., a California company, are dealing with in China, which have been detailed in numerous reports.

In light of the pattern of bad behavior towards our online interests in China, particularly with respect to the cyber attacks, censorship and discrimination of U.S.-based online firms, I write to respectfully request that you do all that you can as Secretary of the United States Department of Commerce to express our displeasure and concern with China's current behavior and work to hold China accountable for its internet restrictions that should be viewed as nothing less than a

trade barrier. It is my personal belief that you should address this issue directly with your counterparts in China through bilateral discussions. It is also my feeling that this issue merits larger scale attention through multilateral discussions addressing the overall importance of the issue itself. The time to act is now.

According to recent studies, in 2002, only two countries were considered to be censoring the web. That number grew to twenty-six in 2007. This trend is disturbing and slows growth in this vital part of our, and the global, economy. As the country that gave the Internet to the world, I believe that it is our responsibility to demand fairness and transparency in how foreign governments regulate online commerce. In my opinion, such demands will undoubtedly increase investment, expand this sector of our economy, and better serve all people.

I look forward to receiving an update or report on the steps the Department of Commerce is taking on this issue.

Sincerely,

MARY BONO MACK Member of Congress